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GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES

FRANK M. FITZGERALD
COMMISSIONER

Fact Sheet

Blue Cross Blue Shield of Michigan Non-group Program Rate Adjustment January 21, 2003

On September 24, 2002 BCBSM filed with the OFIS a request for an increase in its non-group program. The filing was deemed complete by OFIS staff on October 24. Pursuant to statute, interested parties were given notice of the filing on November 20. The Commissioner of OFIS then had 60 days to approval, approve with modifications, or deny the request. The 60-day period expired on January 19, 2003. Since this date was a Sunday and a state holiday occurred on January 20, the period expires on January 21, 2003.

This is the first rate adjustment that BCBSM has requested in its non-group program since May 1997.

There are approximately 24,000 participants in the program, less than .5% of the total BCBSM population. Approximately two-thirds of the 24,000 members are under age 55. The remaining one-third of the members are between 55 and 64. By law, persons eligible for Medicare, either by age or by disability, are not eligible for BCBSM non-group coverage. The coverage provided to non-group members is very comprehensive, but does not include prescription drug coverage.

BCBSM filed for a composite 29% increase. Following a thorough review of the filing, Commissioner Frank M. Fitzgerald proposed and BCBSM accepted a 23% composite increase. The increases will take effect on March 1, 2003. The actual rate paid by members may vary from this composite increase.

In an effort to offset the rate increase, the Commissioner requested and BCBSM agreed to include the non-group subscribers in the BCBSM Affinity drug program. The Affinity program allows eligible members to present their BCBSM ID card to "panel" pharmacies and purchase prescription drugs at the discounted rate negotiated with the pharmacies by BCBSM.

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